

**Senate File 640 - Introduced**

SENATE FILE 640

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SF 131)

**A BILL FOR**

1 An Act relating to the exemption from the hotel and motel taxes  
2 for the renting of lodging.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 423A.5, subsection 1, Code 2019, is  
2 amended to read as follows:

3 1. The sales price from the renting of lodging ~~which is~~  
4 ~~rented by the same person~~ to a tenant as defined in section  
5 562A.6 or 562B.7 where the lodging is rented by the same tenant  
6 for a period of more than thirty-one consecutive days.

7 Sec. 2. Section 423A.5, Code 2019, is amended by adding the  
8 following new subsections:

9 NEW SUBSECTION. 1A. The sales price from the renting of  
10 lodging which is rented by the same person for the period  
11 beginning after ninety consecutive days of rental by such  
12 person.

13 NEW SUBSECTION. 4. a. The sales price of lodging furnished  
14 to the guests of a nonprofit lodging provider and the purpose  
15 of renting is to provide a place for the friends and family of  
16 a hospital patient during a time of medical need of the patient  
17 and the length of stay is based upon the needs of the friends,  
18 family, or patient.

19 b. For purposes of this subsection, "*nonprofit lodging*  
20 *provider*" means a nonprofit entity which is exempt from federal  
21 income taxation pursuant to section 501(c)(3) of the Internal  
22 Revenue Code that maintains an established facility that  
23 provides lodging to friends and family of a hospital patient  
24 during a time of medical need of the patient.

25 EXPLANATION

26 The inclusion of this explanation does not constitute agreement with  
27 the explanation's substance by the members of the general assembly.

28 This bill relates to the exemption from the hotel and motel  
29 taxes for the renting of lodging.

30 CONSECUTIVE DAYS OF RENTAL. The bill provides that the sales  
31 price from the renting of lodging to a tenant as defined in  
32 Code section 562A.6 or 562B.7, where the lodging is rented by  
33 the same tenant for a period of more than 31 days, is exempt  
34 from state and local hotel and motel taxes.

35 The bill provides that the sales price from the renting

1 of lodging which is rented by the same person for the period  
2 beginning after 90 consecutive days of rental by such person,  
3 is exempt from state and local hotel and motel taxes.

4 Currently, the sales price from the renting of lodging which  
5 is rented by the same person for a period of more than 31  
6 consecutive days is exempt from the hotel and motel taxes under  
7 Code chapter 423A.

8 NONPROFIT LODGING PROVIDER. The bill exempts from the  
9 hotel and motel tax the sales price of lodging furnished by a  
10 nonprofit lodging provider renting to the friends and family  
11 of a hospital patient.

12 The bill defines "nonprofit lodging provider" to mean a  
13 nonprofit entity which is exempt from federal income taxation  
14 pursuant to section 501(c)(3) of the Internal Revenue Code  
15 that maintains an established facility that provides lodging  
16 to friends and family of a hospital patient during a time of  
17 medical need of the patient.